GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1850
ANSWERED ON:01.08.2003
ELECTRONIC TRANSACTION
AMBATI BRAHMANAIAH

Will the Minister of FINANCE be pleased to state:

(a) whether income tax authorities are planning to dematerialise the challan issued by banks as a receipt;

(b) if so, whether the Income Tax Department have any proposal to accept payment electronically by banks; and

(c) if so, the details thereof with the time by which such system came into force?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO V. ADSUL)

(a) (b) & (c): The Task Force headed by Dr. Vijay Kelkar has recommended a revised procedure for collection of taxes and their accounting. Under the new procedure, a tax payer will be required to fill up only one copy of the challan while making payment of the tax in the bank. The present requirement of filling up four copies of challan for payment of direct taxes is proposed to be given up. The banks will be networked to Tax Information Network (TIN) and will receive payment on-line.The banks will be required to issue a computerized receipt to the taxpayer simultaneously. With instant accounting of tax collection, the requirement of enclosing a copy of the challan as evidence of tax payment along with the annual return of income would be done away. It is also recommended that since the Tax Information Network will digitize all TDS returns, the requirement to fileTDS certificate alongwith the return of income may also be dispensed with. To implement these suggestions, the Reserve Bank of India has constituted a High Powered Committee for setting up the facilities for online Transmission of Tax Payment Data from banks to the Income Tax Department. The issue of Electronic payment to Banks shall also be examined after all bank branches are fully computerized. The new system is expected to be operationalized by the beginning of the next financial year.